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**FISCAL IMPACT STATEMENT**

**LS 7684**

**BILL NUMBER:** HB 1804

**NOTE PREPARED:** Feb 22, 2007

**BILL AMENDED:** Feb 20, 2007

**SUBJECT:** Various Election Law Matters.

**FIRST AUTHOR:** Rep. Pierce

**FIRST SPONSOR:** Sen. Landske

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) The bill makes the following changes:

*Department of Defense ID As Proof of Voter Identification-* The bill provides that an identification document issued by the Department of Defense, a branch of the uniformed services, the Merchant Marine, or the Indiana National Guard that has an indefinite expiration date or an identification issued by an approved institution of higher learning is an acceptable proof of identification to vote.

*Voter Challenges In Long Term Care Facilities-* The bill provides that an individual confined to a long term care facility may not be challenged solely on the basis that the address on the individual's application for an absentee ballot differs from the address shown on the individual's voter registration record.

*Poll Clerks Asking for Voter Identification-* The bill provides that poll clerks and assistant poll clerks may ask a voter to show proof of identification.

*Braille Instructions and Notices At Polls-* The bill removes a requirement that certain instructions and notices used at the polls must be printed in braille.

*Straight Party Ticket Instructions-* The bill revises the instruction to voters who vote a straight party ticket and vote for candidates not on the straight party ticket.

*Notification of Absentee Ballot Denials-* The bill provides that if a voter's application for an absentee ballot is denied, the county election board must notify the applicant of the denial and tell the applicant how the application can be corrected and can be approved, if possible.

*Carrier Envelopes-* The bill permits all absentee ballot envelopes and related voter applications that will be sent to the same precinct to be enclosed in the same carrier envelope.

*Absentee Ballot Counting-* The bill provides for the counting of an absentee ballot received by the county election board before the close of the polls on election day if the ballot is not otherwise successfully challenged.

*Beginning Date of Absentee Voting-* The bill makes the beginning date of absentee voting in the clerk's office or a satellite office one day later than under current law.

*Casting Absentee Ballots at Satellite Offices-* The bill permits a county election board to authorize casting absentee ballots only at satellite offices rather than at satellite offices and the clerk's office.

*Returning of Absentee Ballot-* The bill requires an absentee voter to return the absentee ballot to the precinct election board or the county election board before the voter votes in person at the precinct.

*Counting of Ballots-* The bill requires the counting of a ballot (other than an absentee ballot not initialed by the appropriate election officials) that has been marked and cast by a voter in compliance with election law but may otherwise not be counted solely as the result of the act or failure to act of an election officer unless evidence of fraud, tampering, or misconduct affecting the integrity of the ballot is presented.

*Exemption of Poll Workers From Social Security Withholdings-* The bill provides for an exemption from withholding Social Security taxes from amounts paid to election officials or workers that are less than \$1,300 per year.

*School Plan Changes-* The bill provides for the initiation of the change of a school corporation's organization plan if 10% of the active voters in the school corporation sign a petition for the change. (Under current law, 20% of the voters in a school corporation must support a petition for a change in the school corporation's organization plan.)

*Inspecting Electronic Voting System Registers-* The bill permits a county election board to inspect the register or other recording device on an electronic voting system without obtaining the authority of the State Recount Commission. The bill repeals a statute imposing criminal penalties for the inspection of a voting system without the permission of the Recount Commission.

*Exceptions to Proof of Identification-* The bill provides that a voter who executes an affidavit at the polls and is indigent or has a religious objection to being photographed is not required to present proof of identification.

*Absentee Voter Signature Comparisons-* The bill provides that when a voter votes as an absentee voter, the voter's signature on the absentee ballot affidavit shall be compared with the signature on the voter's voter registration record.

**Effective Date:** Upon passage; January 1, 2007 (retroactive), July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Notification of Absentee Ballot Denials-* Under current law, denial notices are sent to absent uniformed services and overseas voters. The provision would be extended to all absentee ballot applications. The provision could increase postage costs and increase staff time of county election boards.

*Absentee Ballot Counting-* County election boards may end up with additional absentee ballots to process. It is likely, this provision would be able to met accomplished within existing county election board resources.

*Beginning Date of Absentee Voting-* This provision would allow county election boards to more efficiently process voter registrations received on the last day of voter registration, which under current law coincides with the first day of absentee voting before the board.

*Casting Absentee Ballots at Satellite Offices-* This provision would require the unanimous vote of the county election board to implement. If implemented, absentee ballots would be cast in satellite offices only.

*Social Security and Election Workers-* This provision of the bill would save county auditor's staff time and expenditure to process paperwork for election worker compensation that exceeds the state's agreement threshold for election workers.

*Background-* Indiana's exemption threshold for election workers under the state's agreement is currently \$100 per calendar year. Election workers that work the polls for the primary and general elections in the same year often receive compensation that exceeds the \$100 threshold. Counties often have difficulty determining which election workers worked both elections and must spend staff time to get social security numbers and mailing addresses for W-2s. When a election worker's compensation exceeds the threshold they are considered county employees for FICA. The additional employees increase the number of W-2 filings that must be mailed by the county auditor. When election workers exceed the threshold, they are considered part-time county employees and become eligible for unemployment benefits.

Employers must match the Federal Insurance Contributions Act (FICA) contributions made by their employees, if they are not exempted under the agreement. Therefore, county auditors must adjust their payroll systems to pay the employer share of FICA for election workers exceeding the exemption threshold.

Employers must "match" the FICA contributions of full-time, part-time, or contract employee on employer payroll or 7.65% of the employee's earned wages. (Earned wages in excess of \$97,000 annually are not subject to the current Social Security Tax rate of 6.2%.) The remaining 1.45% Medicare Tax is paid regardless if the employee's salary exceeds \$97,000 annually.

*School Plan Changes-* The provision would increase the administrative time of clerks that receive additional petitions regarding change in the composition and election procedure of governing body members. Under current law, 20% of voters within a school corporation must sign such a petition. The bill would require 10% of *active* voters to sign a petition.

### **Explanation of Local Revenues:**

#### **State Agencies Affected:**

**Local Agencies Affected:** County auditor, county election boards, school corporations.

**Information Sources:** State Budget Agency: FY 2006 General Fund Reversion Statement; Social Security Administration; Jackie Clemens, Clinton County Auditor, 765-438-6823.

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